

Under clause 8 of Rule XII, executive communications were taken from the Speaker's table as follows:

COMMUNICATION 11263 from the

Assistant Secretary of the Navy for Installations and Environment,
Department of Defense

transmitting

notification of a decision to study the military space operations function performed by military and civilian personel in the Department of the Navy for possible performance by private contractors, pursuant to OMB Circular A-76.

Referred to the Committee on Armed Services. December 7, 2004.



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

NOV 30 2004

The Honorable J. Dennis Hastert
Speaker
House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

This letter provides you with notification of our decision to study the military space operations function performed by military and civilian personnel in the Department of the Navy for possible performance by private contractors.

The Navy will study the military space operations function at the following locations:

City and State	Activity Name	Civilians	Military
Oxnard, CA	Naval Satellite Operations Center	42	14
Finegayan, GU	NAVSOC Detachment Charlie Finegayan	0	7
Prospect Harbor, ME	NAVSOC Detachment Alpha Prospect Harbor	5	8
Falcon AFB, CO	NAVSOC Detachment D Falcon AFB CO	5	0
GRAND TOTAL		52	29

The U.S. Navy continues to seek ways to improve efficiency and effectiveness, reduce the overall cost of operations, and improve business processes. As part of this effort we are fully exploring opportunities for competition initiatives. Per 10 U.S.C. 2461, the Secretary of Defense is to notify Congress of any decision to study commercial or industrial type functions performed by 50 or more civilian employees for possible outsourcing and provide an estimate of the costs and length of each study. These initiatives to study the performance of the commercial or industrial type functions by persons who are not civilian employees of the Department of Defense are not the result of constraints or limitations in terms of man years, end strengths, full-time equivalent positions, or maximum number of employees.

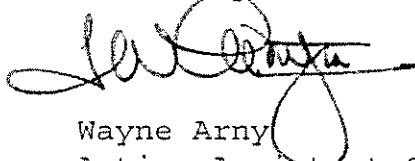
The study will be performed under the procedures set forth in Office of Management and Budget (OMB) Circular A-76 released 29 May 2003. The military billets listed above have been identified for substitution by civilian workers. The A-76 cost comparison will determine whether the function will be

contracted out or performed by civilian employees of the Department of the Navy. The Department's estimated cost to study each full-time equivalent position is \$2,500 and this funding is contained in Navy Operations and Maintenance Budget Line Item 4A1M - Administration. The estimated study time for this multifunction competition is 18 months.

Conversion to commercial contracts will occur only if the cost comparison process reveals that contracting is the most cost effective method of performing the function. We will notify you by separate correspondence if the competition results in a decision to convert to contract performance.

A similar letter has been sent to the President of the Senate and Chairmen Warner, Stevens, Hunter, and Lewis. If I can be of further assistance, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Wayne Arny', with a large, stylized loop at the end.

Wayne Arny
Acting Assistant Secretary of the Navy
(Installations and Environment)